

2011 Property Tax Report

Whitley County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Whitley County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Whitley County

The average homeowner saw a 7.0% tax bill increase from 2010 to 2011.
Homestead taxes in 2011 were still 25.1% lower than they were in 2007, before the property tax reforms.
94.7% of homeowners saw lower tax bills in 2011 than in 2007.
75.3% of homeowners saw tax increases of between 1% and 19% from 2010 to 2011.
The largest percentage of homeowners have seen between a 10% and 39% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	7,002	79.7%	455	5.2%
No Change	80	0.9%	9	0.1%
Lower Tax Bill	1,705	19.4%	8,323	94.7%
Average Change in Tax Bill	7.0%		-25.1%	
Detailed Change in Tax Bill				
20% or More	383	4.4%	165	1.9%
10% to 19%	2,438	27.7%	111	1.3%
1% to 9%	4,181	47.6%	179	2.0%
0%	80	0.9%	9	0.1%
-1% to -9%	1,354	15.4%	398	4.5%
-10% to -19%	174	2.0%	1,598	18.2%
-20% to -29%	44	0.5%	2,762	31.4%
-30% to -39%	41	0.5%	1,939	22.1%
-40% to -49%	18	0.2%	884	10.1%
-50% to -59%	11	0.1%	277	3.2%
-60% to -69%	12	0.1%	131	1.5%
-70% to -79%	5	0.1%	100	1.1%
-80% to -89%	7	0.1%	80	0.9%
-90% to -99%	2	0.0%	53	0.6%
-100%	37	0.4%	101	1.1%
Total	8,787	100.0%	8,787	100.0%

Note: Percentages may not total due to rounding.

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 TAX RATE INCREASES, THE
 LOSS OF THE STATE
 HOMESTEAD CREDIT, AND
 LOWER LOCAL HOMESTEAD
 CREDITS RAISED HOMEOWNER
 TAX BILLS
 ★★★★★

Homestead Property Taxes

Homestead property taxes increased 7.0% on average in Whitley County in 2011. This was more than the state average of 4.4%. Whitley County homestead taxes were still 25.1% lower in 2011 than they were in 2007, before the big tax reform. The larger-than-average homestead tax increase in 2011 was partly due to higher tax rates in most tax districts. The phaseout of the state homestead credit in 2011 also added to homeowner tax bills. The state homestead credit was 4.4% in Whitley County in 2010. In addition, Whitley County's local homestead credit declined in 2011, due to a drop in the local income tax revenues that fund it.

Tax Rates

Property tax rates increased in most Whitley County tax districts. The average tax rate increased by 5.9%, mainly because of an increase in the levy. Levies in Whitley County increased by 4.8%. The biggest levy increases were in the Whitley County Consolidated Schools debt service, capital projects, and bus replacement funds, all Whitko Community Schools funds, and the county general and health funds. Whitley County's total net assessed value increased 1.0% in 2011. (The certified net AV used to compute tax rates fell by 1.1%.) Homestead assessments decreased by 2.4%, and agricultural net assessments increased by 1.4%. Other residential assessments showed an increase of 1.1%, while business net assessments grew by 5.3%.

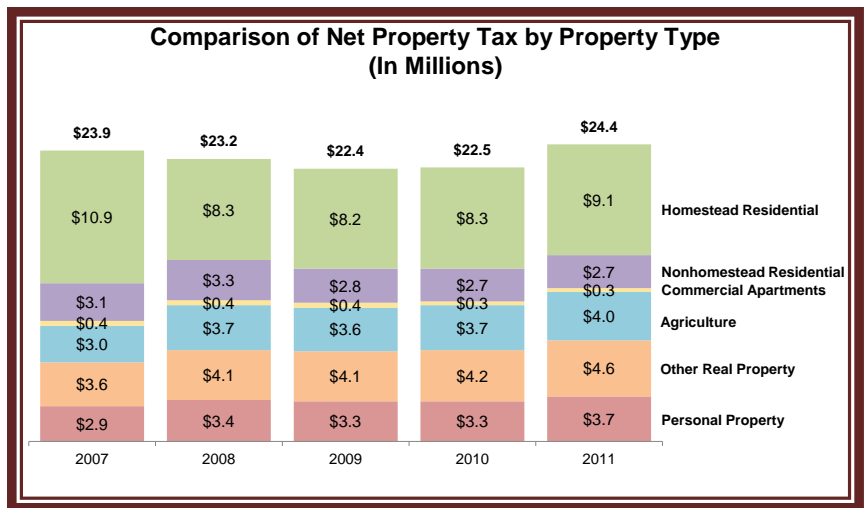
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**SUBSTANTIAL TAX INCREASES FOR
AGRICULTURE, APARTMENTS, AND
BUSINESS; TAX DECREASES FOR OTHER
RESIDENTIAL PROPERTY**

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Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 8.4% in Whitley County in 2011, greater than the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills decrease by 1.6%. Tax bills for commercial apartments increased by 3.4%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - increased by 11.9%. Agricultural tax bills rose 8.6%. This was partly due to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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**TAX CAP CREDITS INCREASED
SLIGHTLY IN 2011**

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Total tax cap credit losses in Whitley County were \$348,376, or 1.4% of the levy. This was much less than the state average loss rate of 9.2% and less than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Whitley County's tax rates were lower than the state median.

About two-thirds of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 1% homestead category. Whitley County had no district tax rates above \$3 per \$100 assessed value, so no business property in the 3% tax cap category qualified for credits. The largest percentage losses were in Columbia City, the towns of Larwill and South Whitley, and Cleveland Township. The largest dollar losses were in the Whitley County and Whitko School Corporations, Columbia City, and the county unit.

Whitley County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$16,279	\$197,262	\$0	\$16,506	\$230,047	1.0%
2011 Tax Cap Credits	72,735	243,398	0	32,243	348,376	1.4%
Change	\$56,456	\$46,136	\$0	\$15,737	\$118,329	0.4%

Tax cap credits increased in Whitley County in 2011 by \$118,329, or 51%. The additional credits

represent an added loss of 0.4% of the total tax levy. Most of the increase in tax cap credits was in the 1% and 2% tax cap categories, the result of higher tax rates. The elimination of the state homestead credit and the drop in local income tax revenue that funds local homestead credits added to the 1% tax cap credit increase.

The Effect of Recession

The 2009 recession slowed Whitley County assessment growth for pay-2011. Homestead property values and construction activity appear to have fallen in Whitley County in 2009, and other property values increased little. Lower incomes in 2009 resulted in lower local income tax distributions in 2011, which reduced the local homestead credit. Small assessment increases led to higher tax rate increases. The higher tax rates and lower local credits increased tax cap credit losses.

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**2009 RECESSION SLOWED
ASSESSMENT GROWTH IN 2011**

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$1,372,775,100	\$1,362,195,800	-0.8%	\$603,367,236	\$588,960,982	-2.4%
Other Residential	140,906,600	142,130,300	0.9%	140,182,410	141,685,230	1.1%
Ag Business/Land	250,714,000	254,148,000	1.4%	250,087,880	253,670,940	1.4%
Business Real/Personal	708,048,740	715,566,500	1.1%	457,747,420	481,991,640	5.3%
Total	\$2,472,444,440	\$2,474,040,600	0.1%	\$1,451,384,946	\$1,466,308,792	1.0%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Whitley County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	32,630,846	35,547,274	21,153,126	21,638,415	22,671,984	8.9%	-40.5%	2.3%	4.8%
State Unit	35,679	37,252	0	0	0	4.4%	-100.0%		
Whitley County	5,038,104	5,603,329	5,294,931	4,985,159	5,221,518	11.2%	-5.5%	-5.9%	4.7%
Cleveland Township	170,266	173,921	178,607	212,080	164,213	2.1%	2.7%	18.7%	-22.6%
Columbia Township	138,642	144,018	147,048	145,223	145,969	3.9%	2.1%	-1.2%	0.5%
Etna Troy Township	40,755	41,833	43,727	43,425	44,595	2.6%	4.5%	-0.7%	2.7%
Jefferson Township	88,408	90,491	88,937	87,293	88,897	2.4%	-1.7%	-1.8%	1.8%
Richland Township	51,684	65,848	67,032	66,826	68,548	27.4%	1.8%	-0.3%	2.6%
Smith Township	100,311	104,535	102,808	101,760	96,520	4.2%	-1.7%	-1.0%	-5.1%
Thorncreek Township	131,188	242,251	192,440	192,643	192,011	84.7%	-20.6%	0.1%	-0.3%
Union Township	74,567	70,116	69,136	67,928	60,795	-6.0%	-1.4%	-1.7%	-10.5%
Washington Township	83,603	71,619	80,175	78,571	79,752	-14.3%	11.9%	-2.0%	1.5%
Columbia City Civil City	2,067,652	2,114,647	2,040,780	2,042,195	2,042,917	2.3%	-3.5%	0.1%	0.0%
Churubusco Civil Town	300,561	309,337	330,939	324,445	403,222	2.9%	7.0%	-2.0%	24.3%
Larwill Civil Town	21,365	22,725	22,924	22,882	23,948	6.4%	0.9%	-0.2%	4.7%
South Whitley Civil Town	253,173	263,985	277,311	274,873	274,304	4.3%	5.0%	-0.9%	-0.2%
Whitko Community School Corp	3,778,948	3,792,748	2,012,849	2,174,700	2,540,742	0.4%	-46.9%	8.0%	16.8%
Smith-Green Community School Corp	2,621,623	2,749,166	1,326,596	1,730,609	1,597,969	4.9%	-51.7%	30.5%	-7.7%
Whitley County Consolidated School Corp	16,572,011	18,569,437	7,904,071	7,906,277	8,489,103	12.1%	-57.4%	0.0%	7.4%
Churubusco Public Library	60,085	46,057	47,183	48,106	49,706	-23.3%	2.4%	2.0%	3.3%
Peabody Library	681,380	719,441	597,707	806,602	745,330	5.6%	-16.9%	34.9%	-7.6%
South Whitley Public Library	320,841	314,518	327,925	326,818	341,925	-2.0%	4.3%	-0.3%	4.6%
Whitley County Solid Waste Mgt Dist	0	0	0	0	0				
Whitley County Redevelopment Comm	0	0	0	0	0				
Columbia City Redevelopment Comm	0	0	0	0	0				

Whitley County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
92001	Cleveland Township	2.0639	--	--	2.2484%	--	--	--	2.0175
92002	South Whitley Town	2.7986	--	--	2.2484%	--	--	--	2.7357
92003	Columbia Township	1.5352	--	--	2.2484%	--	--	--	1.5007
92004	Columbia City	2.2806	--	--	2.2484%	--	--	--	2.2293
92005	Etna Troy Township	1.3561	--	--	2.2484%	--	--	--	1.3256
92006	Jefferson Township	1.3777	--	--	2.2484%	--	--	--	1.3467
92007	Richland Township	2.0358	--	--	2.2484%	--	--	--	1.9900
92008	Larwill Town	2.3368	--	--	2.2484%	--	--	--	2.2843
92009	Smith Township	1.4343	--	--	2.2484%	--	--	--	1.4021
92010	Churubusco Town	2.1260	--	--	2.2484%	--	--	--	2.0782
92011	Thorncreek Township	1.5437	--	--	2.2484%	--	--	--	1.5090
92012	Union Township	1.3510	--	--	2.2484%	--	--	--	1.3206
92013	Washington Township	1.4274	--	--	2.2484%	--	--	--	1.3953
92014	Columbia City-Union Township	2.2668	--	--	2.2484%	--	--	--	2.2158

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Whitley County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Total	Levy	Circuit Breaker as % of Levy
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly				
<i>Non-TIF Total</i>	72,735	241,557	0	31,784		346,076	22,671,984	1.5%
<i>TIF Total</i>	0	1,841	0	459		2,300	2,203,676	0.1%
<i>County Total</i>	72,735	243,398	0	32,243		348,376	24,875,660	1.4%
Whitley County	12,808	41,050	0	6,666		60,524	5,221,518	1.2%
Cleveland Township	946	4,493	0	448		5,888	164,213	3.6%
Columbia Township	541	1,570	0	185		2,295	145,969	1.6%
Etna Troy Township	0	0	0	76		76	44,595	0.2%
Jefferson Township	30	0	0	72		102	88,897	0.1%
Richland Township	174	492	0	23		690	68,548	1.0%
Smith Township	2	106	0	75		184	96,520	0.2%
Thorn creek Township	135	0	0	349		484	192,011	0.3%
Union Township	27	18	0	28		73	60,795	0.1%
Washington Township	0	0	0	26		26	79,752	0.0%
Columbia City Civil City	17,053	47,550	0	2,678		67,281	2,042,917	3.3%
Churubusco Civil Town	75	3,277	0	906		4,257	403,222	1.1%
Larwill Civil Town	13	864	0	0		877	23,948	3.7%
South Whitley Civil Town	3,514	17,271	0	1,829		22,614	274,304	8.2%
Whitko Community School Corp	11,678	52,334	0	4,773		68,784	2,540,742	2.7%
Columbia Township School Corp	0	0	0	0		0	0	
Etna-Troy Township School Corp	0	0	0	0		0	0	
Jefferson Township School Corp	0	0	0	0		0	0	
Smith-Green Community School Corp	94	4,133	0	1,738		5,965	1,597,969	0.4%
Thorn Creek Township School Corp	0	0	0	0		0	0	
Union Township School Corp	0	0	0	0		0	0	
Washington Township School Corp	0	0	0	0		0	0	
Whitley County Consolidated Sch Corp	20,868	53,137	0	10,101		84,106	8,489,103	1.0%
Churubusco Public Library	3	129	0	54		186	49,706	0.4%
Peabody Library	3,168	8,216	0	1,101		12,485	745,330	1.7%
South Whitley Public Library	1,604	6,918	0	658		9,180	341,925	2.7%
Whitley County Solid Waste Mgt Dist	0	0	0	0		0	0	
Whitley County Redevelopment Comm	0	0	0	0		0	0	
Columbia City Redevelopment Comm	0	0	0	0		0	0	
TIF - Columbia City TIF 004	0	1,841	0	64		1,905	43,634	4.4%
TIF - Union TIF 012	0	0	0	396		396	2,160,042	0.0%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.